



General Assembly

January Session, 2001

Bill No. 1159

LCO No. 3706

Referred to Committee on Select Committee on Housing

Introduced by:

SEN. DELUCA, 32nd Dist.

REP. WARD, 86th Dist.

**AN ACT CONCERNING FLEXIBLE HOUSING AND COMMUNITY
DEVELOPMENT PROGRAMS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

- 1 Section 1. (NEW) (a) For purposes of this section:
- 2 (1) "Affordable housing" means affordable housing as defined in
3 section 8-39a of the general statutes;
- 4 (2) "Commissioner" means the Commissioner of Economic and
5 Community Development;
- 6 (3) "Department" means the Department of Economic and
7 Community Development;
- 8 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a
9 municipality; (C) a housing authority; (D) a business corporation
10 incorporated pursuant to chapter 601 of the general statutes or any
11 predecessor statutes thereto or authorized to do business pursuant to
12 said chapter 601 having as one of its purposes the construction,

13 acquisition, rehabilitation or operation of affordable housing and
14 having a certificate or articles of incorporation approved by the
15 commissioner; (E) any partnership, limited partnership, limited
16 liability company, joint venture, sole proprietorship, trust or
17 association having as one of its purposes the construction, acquisition,
18 rehabilitation or operation of affordable housing and having basic
19 documents of organization approved by the commissioner; or (F) any
20 combination thereof;

21 (5) "Eligible costs" means costs relating to the planning,
22 implementation and completion of an eligible project; and

23 (6) "Eligible project" means a project designed for the purpose of
24 providing affordable housing, and shall include, but not be limited to,
25 (A) acquisition, construction, rehabilitation and repair and
26 maintenance of residential and mixed-use structures or any
27 combination thereof, or (B) related community development activities
28 incidental and pertinent to an affordable housing project.

29 (b) The state, acting by and in the discretion of the commissioner,
30 may enter into a contract for state financial assistance for any eligible
31 project in the form determined by the commissioner, including, but not
32 limited to, a grant, loan, loan guarantee, deferred loan or any
33 combination thereof.

34 (c) (1) An application for financial assistance shall be in the form
35 and manner prescribed by the commissioner. In determining whether
36 and to what extent to fund an application received from eligible
37 applicants, the commissioner may consider relevant factors including,
38 but not limited to, the following: (A) The ability of the project to
39 affirmatively further racial and economic integration, including
40 expanding multifamily rental housing opportunities in suburban and
41 rural communities; (B) the ability of the project to revitalize urban
42 neighborhoods, including expanding homeownership and increasing
43 multifamily rehabilitation in the central cities; (C) the ability of the
44 project to provide a full range of supportive housing options for

45 people with special needs or who are at risk of becoming homeless; (D)
46 impact of the project on the local neighborhood, region and state; (E)
47 short-term and long-term benefits of the project; (F) impact on
48 affordable housing needs of the neighborhood, community,
49 municipality and region; (G) project feasibility; (H) potential for
50 leveraging other public and private investments; (I) applicant's ability
51 to implement the project in a timely manner; (J) the relative need for
52 the project; (K) the applicant's financial commitment to the project,
53 except in the case of a nonprofit entity or a housing authority created
54 pursuant to section 8-4 of the general statutes; and (L) the extent to
55 which the project will advance the public purposes set forth in this
56 subdivision.

57 (2) On or before February 1, 2002, and annually thereafter, the
58 commissioner shall submit a report to the select committee of the
59 General Assembly having cognizance of matters relating to housing,
60 which report shall include a description of each project funded under
61 this program, the other sources of financing for each project and the
62 relevant factors considered by the commissioner pursuant to this
63 subsection in determining to provide such funding.

64 (d) The commissioner shall review and approve the site and the
65 estimated total development budget, including the nature and amount
66 of financial assistance to be provided from all sources and by the state.
67 The commissioner may review and approve any additional factors
68 determined to be necessary or appropriate to protect the state's
69 interests. Upon determination by the commissioner that the eligible
70 costs are necessary and reasonable, and, in the case of financial
71 assistance provided from the proceeds of the state's bonds, upon
72 preliminary approval by the State Bond Commission pursuant to the
73 provisions of section 3-20 of the general statutes, or, in the case of
74 financial assistance provided from a funding source other than the
75 state's bonds, upon the approval by the Governor of an allotment for
76 such purpose, the state, acting by and through the commissioner, may
77 provide the financial assistance for such eligible costs.

78 (e) Financial assistance provided shall be upon terms and conditions
79 not inconsistent with the provisions of this section, which the
80 commissioner shall establish as prudent and necessary to protect the
81 state's interests. Such terms and conditions may include, separately or
82 in combination, without limitation: (1) The requirements of funds from
83 other sources, including, without limitation, financing obtained from
84 quasi-public agencies as defined in section 1-120 of the general
85 statutes, federal and local government agencies and private for-profit
86 and not-for-profit institutions; (2) participation interests; (3) subsidy
87 recapture provisions; and (4) resale and prepayment, job retention,
88 residency, use and affordability restrictions. Such terms and conditions
89 and compliance with such terms and conditions may be documented
90 and secured as the commissioner shall determine.

91 (f) (1) The commissioner may take all reasonable steps and exercise
92 all available remedies necessary or desirable to protect the obligations
93 or interests of the state, including, but not limited to, amending any
94 term or condition of a contract or agreement, provided such
95 amendment is allowed or agreed to pursuant to such contract or
96 agreement, or purchasing or redeeming, pursuant to foreclosure
97 proceedings, bankruptcy proceedings or in other judicial proceedings,
98 any property on which such commissioner or the department holds a
99 mortgage or other lien, or in which such commissioner or the
100 department has an interest.

101 (2) The commissioner may request, inspect and audit reports, books
102 and records and any other financial or project-related information with
103 respect to eligible applicants that receive financial assistance,
104 including, without limitation, resident or employment information,
105 financial and operating statements and audits. The commissioner may
106 investigate the accuracy and completeness of such reports, books and
107 records.

108 (g) The commissioner may adopt such regulations in accordance
109 with chapter 54 of the general statutes as are necessary for the

110 implementation of this section.

111 Sec. 2. Section 29 of special act 95-20 is amended to read as follows:

112 The proceeds of the sale of said bonds shall be used by the
113 Department of Housing for the purposes hereinafter stated:

114 Housing development and rehabilitation, including moderate cost
115 housing, moderate rental, congregate and elderly housing, urban
116 homesteading, community housing development corporations,
117 housing purchase and rehabilitation (no more than \$10,000,000 of the
118 total), housing for the homeless, housing for low income persons,
119 limited equity cooperatives and mutual housing projects, removal and
120 abatement of hazardous material, including asbestos and lead-based
121 paint in residential structures, emergency repair assistance for senior
122 citizens, housing land bank and land trust, housing and community
123 development, predevelopment grants and loans, reimbursement for
124 state and federal surplus property, private rental investment mortgage
125 and equity program, housing infrastructure, septic system repair loan
126 program, acquisition and related rehabilitation, projects under the
127 program established in section 1 of this act, and participation in federal
128 programs, including administrative expenses associated with those
129 programs eligible under the general statutes, not exceeding
130 \$40,000,000.

131 Sec. 3. Section 9 of special act 97-1 of the June 5 special session is
132 amended to read as follows:

133 The proceeds of the sale of said bonds shall be used by the
134 Department of Economic and Community Development for the
135 purposes hereinafter stated:

136 Housing development and rehabilitation, including moderate cost
137 housing, moderate rental, congregate and elderly housing, urban
138 homesteading, community housing development corporations,
139 housing purchase and rehabilitation (no more than \$10,000,000 of the

140 total), housing for the homeless, housing for low income persons,
141 limited equity cooperatives and mutual housing projects, removal and
142 abatement of hazardous material including asbestos and lead-based
143 paint in residential structures (no more than \$2,500,000 of the total),
144 emergency repair assistance for senior citizens, housing land bank and
145 land trust, housing and community development, predevelopment
146 grants and loans, reimbursement for state and federal surplus
147 property, private rental investment mortgage and equity program,
148 housing infrastructure, septic system repair loan program, acquisition
149 and related rehabilitation, projects under the program established in
150 section 1 of this act, and participation in federal programs, including
151 administrative expenses associated with those programs eligible under
152 the general statutes, not exceeding \$18,000,000.

153 Sec. 4. Section 28 of special act 97-1 of the June 5 special session, as
154 amended by section 76 of special act 98-9, is amended to read as
155 follows:

156 The proceeds of the sale of said bond shall be used by the Department
157 of Economic and Community Development for the purposes hereinafter
158 stated:

159 Housing development and rehabilitation, including moderate cost
160 housing, moderate rental, congregate and elderly housing, urban
161 homesteading, community housing development corporations, housing
162 purchase and rehabilitation (no more than \$10,000,000 of the total),
163 housing for the homeless, housing for low income persons, limited
164 equity cooperatives and mutual housing projects, removal and
165 abatement of hazardous material including asbestos and lead-based
166 paint in residential structures (no more than \$2,500,000 of the total),
167 emergency repair assistance for senior citizens, housing land bank and
168 land trust, housing and community development, predevelopment
169 grants and loans, reimbursement for state and federal surplus property,
170 private rental investment mortgage and equity program, housing
171 infrastructure, septic system repair loan program, acquisition and related

172 rehabilitation, projects under the program established in section 1 of this
173 act, and participation in federal programs, including administrative
174 expenses associated with those programs eligible under the general
175 statutes, not exceeding \$20,000,000.

176 Sec. 5. Section 9 of public act 99-242 is amended to read as follows:

177 The proceeds of the sale of said bonds shall be used by the
178 Department of Economic and Community Development for the
179 purposes hereinafter stated:

180 Housing development and rehabilitation, including moderate cost
181 housing, moderate rental, congregate and elderly housing, urban
182 homesteading, community housing development corporations,
183 housing purchase and rehabilitation, housing for the homeless,
184 housing for low income persons, limited equity cooperatives and
185 mutual housing projects, abatement of hazardous material including
186 asbestos and lead-based paint in residential structures, emergency
187 repair assistance for senior citizens, housing land bank and land trust,
188 housing and community development, predevelopment grants and
189 loans, reimbursement for state and federal surplus property, private
190 rental investment mortgage and equity program, housing
191 infrastructure, septic system repair loan program, acquisition and
192 related rehabilitation, loan guarantees for private developers of rental
193 housing for the elderly, projects under the program established in
194 section 1 of this act, and participation in federal programs, including
195 administrative expenses associated with those programs eligible under
196 the general statutes, not exceeding \$5,000,000.

197 Sec. 6. Section 28 of public act 99-242 is amended to read as follows:

198 The proceeds of the sale of said bonds shall be used by the
199 Department of Economic and Community Development for the
200 purposes hereinafter stated:

201 Housing development and rehabilitation, including moderate cost

202 housing, moderate rental, congregate and elderly housing, urban
203 homesteading, community housing development corporations,
204 housing purchase and rehabilitation, housing for the homeless,
205 housing for low income persons, limited equity cooperatives and
206 mutual housing projects, abatement of hazardous material including
207 asbestos and lead-based paint in residential structures, emergency
208 repair assistance for senior citizens, housing land bank and land trust,
209 housing and community development, predevelopment grants and
210 loans, reimbursement for state and federal surplus property, private
211 rental investment mortgage and equity program, housing
212 infrastructure, septic system repair loan program, acquisition and
213 related rehabilitation, loan guarantees for private developers of rental
214 housing for the elderly, projects under the program established in
215 section 1 of this act, and participation in federal programs, including
216 administrative expenses associated with those programs eligible under
217 the general statutes, not exceeding \$5,000,000.

218 Sec. 7. This act shall take effect July 1, 2001.

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]